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Honorable Christopher M. Alston
Chapter 11
Hearing Location: Telephonic
Hearing Date: Friday, June 18, 2021
Hearing Time: 9:30 a.m.
Response Date: June 11, 2021

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7 UNITED STATES BANKRUPTCY COURT
8 WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

9 In re:
10 NORTHWEST TERRITORIAL MINT, LLC,
11 Debtor.
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Case No. 16-11767-CMA
FINAL APPLICATION FOR
COMPENSATION OF CASCADE
CAPITAL GROUP LLC, AS
ACCOUNTANTS FOR THE CHAPTER 11
TRUSTEE

14 **INTRODUCTION**

15 Cascade Capital Group, LLC ("Cascade") Accountants for Mark Calvert, the duly appointed
16 Chapter 11 Trustee for Northwest Territorial Mint, LLC (the "Trustee"), hereby submits this Final
17 Application for Compensation of Cascade Capital Group LLC (the "Final Cascade Application") for
18 the period October 1, 2018 through April 30, 2021 (the "Final Application Period"). Cascade hereby
19 requests, pursuant to 11 U.S.C. § 330 and Local R. Bankr. 2016-1, an award of \$21,658.50 in fees
20 during the Final Application Period. Cascade further requests the approval of fees and costs in an
21 additional amount of \$750.00 for estimated fees and costs necessary to conclude the case. This Final
22 Cascade Application is supported by the Declaration of Mark Calvert, filed contemporaneously
23 herewith.

24 Cascade has provided professional financial services support to the Trustee's activities and
25 efforts in this case. A summary of the Trustee's activities and efforts on behalf of creditors is
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FINAL APPLICATION FOR COMPENSATION OF
CASCADE CAPITAL GROUP LLC - 1

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1 contained in the Trustee's Final Application for Compensation for the period October 1, 2018,
2 through April 30, 2021, which summary is incorporated herein by reference. In the Final Application
3 Period, Cascade provided financial and accounting related services that supported the Trustee in his
4 efforts to resolve the WARN Act class action suit against the estate; prepared monthly operating
5 reports; and updated and maintained financial reports for the estate. In addition, Cascade incurred
6 time responding to a subpoena issued by Ross Hansen, a principal of NWTM who is a defendant in
7 ongoing criminal proceedings. Cascade also incurred time related to its prior fee application and
8 addressing requests from the Bankruptcy Court in connection therewith. Cascade's services, for
9 which it seeks allowance in this Final Cascade Fee Application, are more particularly described in
10 various categories below.

11 **TERMS OF CASCADE APPOINTMENT AND PAYMENT HISTORY**

12 **A. Date of Approval of Cascade's Employment and Administrative Duties**

13 The Trustee was appointed as Chapter 11 Trustee on April 11, 2017. On June 7, 2016, the
14 Court entered the Final Order Authorizing Employment of Cascade Capital Group, LLC as
15 Accountants for Trustee (the "Employment Order"). The order is effective *nunc pro tunc* as of
16 April 11, 2016. Cascade's financial services over the course of this bankruptcy case have supported
17 the Trustee through an initial preservation, inventory and documentation of the inventory in the
18 possession of the estate and later an extensive effort aimed at identifying precious metal in the
19 possession of the estate that belonged to customers. Cascade provided significant support to the
20 limited financial staff of the estate's business in the form of services that would normally have been
21 provided by an in house controller or chief financial officer.

22 **B. Source of Payment and Amount of Unencumbered Funds**

23 The Debtor's monthly operating reports contain information regarding the amount of cash on
24 hand or on deposit in the Debtor's estate, and the Debtor's operating profits or losses, and the
25 amount of unencumbered funds in the Debtor's estate. Per the April, 2021 monthly operating report,
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1 the estate held as of April 30, 2021, cash of \$354,605. The Trustee anticipates receipt of additional
2 funds from the proceeds from claims under a settlement with the Erdmann Trustee and from certain
3 cost recoveries for production of records under subpoena. Cascade requests payment of its approved
4 compensation from unencumbered funds presently held in the estate and those additional funds
5 received from cost recoveries and Erdmann estate settlement proceeds.

6 **C. Other Employed Professionals**

7 Miller Nash Graham & Dunn has been employed as counsel for the Official Unsecured
8 Creditors' Committee (the "Committee"). The Miller Nash firm filed its final application for
9 compensation in November 2019 and has been paid in full on the amounts awarded by the Court.
10 Loraine Barrick and Lorraine Barrick LLC were employed by the Committee as a financial advisor,
11 but did not provide services to the estate. James G. Murphy was employed by the Trustee as
12 Auctioneer, has been paid in full for fees as provided in his employment order. K&L Gates LLP has
13 been employed as counsel for the Trustee and is filing a final fee application concurrently herewith.

14 **D. Statements of Prior Compensation and Itemized Time Records**

15 Cascade received an interim payment of \$110,338.70 in fees in December 2016, pursuant to
16 authority in the Order Establishing Procedures for Interim Payment of Fees and Costs of
17 Professionals [Dkt. No. 394]. However, in 2017, Cascade refunded \$100,000 of the interim advance
18 to assist in addressing cash flow pressures for the estate's business and to help protect the potential
19 enterprise value of the Debtor's business.

20 On November 16, 2018, Cascade submitted its First Application for Compensation of
21 Cascade Capital Group LLC as Accountants for the Chapter 11 Trustee (Dkt. No. 1924) (the "First
22 Cascade Fee Application"). The First Cascade Fee Application sought an award of fees and
23 expenses incurred during the time period of April 2016 through September 2018. On October 11,
24 2019, the Court issued its Order on Fee Applications of Trustee, Cascade Capital Group, LLC, K&L
25 Gates, and Miller Nash Graham & Dunn (Dkt. No. 2118) (the "Fee Order"). According to the Fee
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Order, the Court approved the First Cascade Fee Application in part, and awarded Cascade fees of \$539,867.70 as interim compensation and reimbursement of expenses of \$14,123.05. The Trustee disbursed the total award of \$543,652.05 to Cascade after entry of the Fee Order.

True and correct copies of Cascade's billing statements are attached as **Exhibit A** and **Exhibit B** to the Declaration of Mark Calvert in Support of this Final Cascade Application, filed contemporaneously herewith. The billing statements contain itemized time records that include the dates the services were rendered, the identities of the persons providing the services, detailed descriptions of the services performed, and the total hours and amount of compensation requested by Cascade.

Cascade's individual timekeepers who incurred time reflected in Cascade's billing statements, along with their titles and hourly rates are as follows: Christine Unwin, Senior Staff (and licensed private investigator) (\$180/hour); Jody Quick, a 15 year Accountant with Cascade (\$120/hour); and Jessica Gilmore, Staff (\$150/hour).

SUMMARY OF PROFESSIONAL SERVICES BY PROJECT CATEGORY

In support of this Final Cascade Application, Cascade submits the following supporting documentation, which is attached to the Declaration of Mark Calvert filed in support, and all of which is incorporated herein by reference:

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
Exhibit A	Fee Summary by Category and Itemized Billing Grouped by Billing Category
Exhibit B	Itemized Billing Statements
Exhibit C	Summary Sheet of Monthly Fees by Project Category
Exhibit D	Summary Sheet of Monthly Hours by Project Category

The exhibits submitted in connection with this Final Cascade Application demonstrate the amount of fees Cascade incurred as accountant for the Trustee during the Final Application Period.

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1 The exhibits break down, by project category, the amount of hours worked by Cascade and the
2 amount of fees Cascade incurred. The exhibits further describe the number of fees and hours worked
3 by Cascade within particular project categories.

4 As the exhibits demonstrate, Cascade incurred a total of \$21,658.50 in fees during the Final
5 Application Period. Cascade's fees were for the following categories of tasks, each of which are
6 described in more detail below: Accounting, Bankruptcy Admin, Cash Flow Management, Claims,
7 Investigation, and Monthly Operating Reports. Cascade is not seeking recovery of expenses in
8 connection with this Final Cascade Application.

9 **NARRATIVE SUMMARY OF SERVICES**
10 **RENDERED ON A PROJECT SUMMARY BASIS**

11 All of the professional services rendered by Cascade during the Final Application Period are
12 set forth in detail on Exhibit A and Exhibit B to the Trustee's Declaration. Brief descriptions of
13 certain services deserving specific mention are highlighted below, by project category:

14 Accounting (Total Hours: 42.07). This category consists of duties typically performed by a
15 controller for a business, such reviewing of financial reports, account reconciliations, and closing of
16 monthly financial statements of the estate's business. Cascade incurred a total of \$5,048.40 in fees in
17 this category during the Final Application Period.

18 Bankruptcy Admin (Total Hours: 44.36). This category represents time Cascade incurred in
19 connection with preparation of fee application materials and responding to requests of the Court
20 related to the same. A total of \$5,361.90 in fees in this category during the Final Application Period.

21 Cash Flow Management (Total Hours: 5.71). Cascade assisted the Trustee with his creation
22 of a rolling daily cash flow with daily cleared incoming and outgoing cash transactions. The
23 Trustee's daily cash flow schedule helped the Trustee manage cash flow shortfalls. During the Final
24 Application Period, Cascade updated this system periodically. Cascade incurred a total of \$685.20 in
25 fees in this category during the Final Application Period.
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Claims (Total Hours: 5.96). Cascade incurred time in this category assisting the Trustee with financial services related to his administration of claims. In particular, Cascade worked on a WARN Act employee damages reconciliation spreadsheet containing employee payroll and termination data. The spreadsheet assisted the Trustee in his analysis and settlement of the estate's financial exposure to the WARN Act class action settlement claims. The WARN Act claims were resolved pursuant to a settlement agreement approved by this Court. Cascade incurred a total of \$715.20 in fees in this category during the Final Application Period.

Investigation (Total Hours: 40.40). Cascade incurred time in this category responding to a subpoena issued to Mark Calvert by Ross Hansen in the pending federal criminal case in which Mr. Hansen and Ms. Erdmann are co-defendants. The subpoena was directed to Mark Calvert but included requests related to Cascade Capital Group employees. The subpoena requests demanded production of substantial materials maintained by Cascade and related to this Bankruptcy Case. Cascade incurred a total of \$4,848.00 in this category during the Final Application Period.

Monthly Operating Reports (Total Hours: 41.67). This category consists of efforts the Cascade took to assist the Trustee in preparing monthly operating reports, including by analyzing financial statement data for accuracy and preparing schedules. Cascade incurred a total of \$4,999.80 in fees in this category during the Final Application Period.

CONCLUSION

Cascade submits this Final Cascade Application and respectfully requests that the Court approve compensation for Cascade in the amount of \$21,658.50 pursuant to 11 U.S.C. § 330 and LBR 2016-1. Cascade estimates that it will incur an additional \$750.00 in fees through and including dismissal of this case.¹ Cascade requests an award of these estimated fees in addition to the amounts for the period through and including April 30, 2021. Cascade further requests that the Court grant the

¹ This estimate is premised on the assumption that the only remaining task of Cascade will be to assist the Trustee with preparation of monthly operating reports.

1 Trustee authority to disburse funds that he presently holds and that he subsequently receives in
2 partial satisfaction of the allowed fees and costs.

3 DATED this 28th day of May, 2021.

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5 CASCADE CAPITAL GROUP

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7 By /s/ Mark Calvert
8 Mark Calvert
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1 **CERTIFICATE OF SERVICE**

2 The undersigned declares as follows:

3 That she is a paralegal in the law firm of K&L Gates LLP, and on May 28, 2021, she caused
4 the foregoing document to be filed electronically through the CM/ECF system which caused
5 Registered Participants to be served by electronic means, as fully reflected on the Notice of
6 Electronic Filing.

7 Also on May 28, 2021, she caused the foregoing document to be mailed to the Parties at the
8 addresses listed below:

9 Northwest Territorial Mint LLC
10 PO Box 2148
11 Auburn, WA 98071

12 I declare under penalty of perjury under the laws of the State of Washington and the United
13 States that the foregoing is true and correct.

14 Executed on the 28th day of May, 2021 at Seattle, Washington.

15 /s/ Denise A. Lentz

16 Denise A. Lentz

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